



The House of Representatives

NEWS RELEASE

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HOUSE PROPOSES OUTRIGHT REPEAL OF GAS CAP LAW

Honolulu. The House of Representatives today announced a new position to repeal the gas cap law outright, effective July 1, 2006. (Formerly, the House position was to suspend the law until 2011, at which time the law would be repealed.)

The repeal of the gas cap law was presented to Senate counterparts in a proposed conference draft of House Bill 3115. The House and Senate opened a conference committee today to discuss their differences on the measure related to the gas price law.

In addition to the repeal of the law, the House continues to support transparency by the oil industry and is proposing the following changes to the Petroleum Monitoring program to be administered by the Public Utilities Commission (PUC). They include:

- Informational cost reports to the Public Utilities Commission (PUC) on a quarterly basis rather than a semi-annual basis. This includes a statement of operating and overhead costs for the refiner's Hawaii operations. Such information is essential to determine whether gas wholesalers are engaged in unfair profiteering.
- Statements regarding pricing practices filed with the PUC on a monthly basis rather than at reporting dates established by the commission. These statements include information on the amount of fuel, by type or grade, sold or transferred on each island or county. This information is necessary to assess whether pricing practices reflect a competitive market.
- Commercial information that is exempt from public disclosure requirements will be held in confidence by the PUC. However, the PUC will be required to publicly release aggregated information every month on pricing practices.
- Deletion of the gas price cap formula. The repeal of the law would make the formula unnecessary. Instead, gasoline prices will be analyzed against the true costs of doing business in Hawaii rather than an artificial formula as proposed in the Senate draft. This information will be publicly disseminated on a quarterly basis.

House and Senate conferees are expected to discuss their respective positions on the gas cap law throughout the week. The House conferees are Representatives Hermina Morita, Robert Herkes, Sylvia Luke and Dwight Takamine as co-chairs, and Representatives Kirk Caldwell, Joe Souki and Barbara Marumoto serving as managers. The Senate conferees are Senator Ron Menor as chair, with Senators Will Espero and Paul Whalen serving as managers.

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